

FINA Oil and Chemical Company



April 6, 1998

VIA FAX AND REGULAR MAIL

Mr. David S. Guzy, Chief
Minerals Management Service
Royalty Management Program
Rules and Publications
U. S. Department of the Interior
P. O. Box 25165
Mail Stop 3101
Denver, CO 80225-0165

**Re: Minerals Management Service Proposed Rulemaking for
"Establishing Oil Value for Royalty Due on Federal Leases"
30 CFR 206; 63 FR 6113 (February 6, 1998)**

Dear Mr. Guzy:

Fina Oil and Chemical Company appreciates the opportunity to submit its written comments to the Minerals Management Service (MMS) on the February 6, 1998 proposed rulemaking for establishing oil value for royalty due on Federal leases. Fina Oil and Chemical Company is a producer of oil from Federal onshore and Outer Continental Shelf leases. As such, Fina Oil and Chemical Company has a significant interest in the outcome of this proposed rulemaking.

The American Petroleum Institute (API) and Western States Petroleum Association (WSPA) are submitting lengthy comments that address in detail the many facets of this proposed rulemaking. The comments by API and WSPA emphasize the need to value the production of oil at the lease, which will provide certainty for the lessee and reduce administrative costs for all parties. Fina Oil and Chemical Company concurs with this viewpoint and endorses the comments of API and WSPA. Furthermore, Fina Oil and Chemical Company urges the MMS to give full consideration to the comments submitted by API and WSPA in the promulgation of a final rule on this matter.

Very truly yours,

Richard H. McPike
Senior Attorney